Sponsor Compliance

Building A Sustainable Right-To-Work Check Strategy In Preparation For 1 October, 2026

The Home Office has updated several pieces of guidance, including the recently published DRAFT Code of Practice on Preventing Illegal Working: Right to Work Scheme for Employers. The proposals would extend right-to-work (RTW) checks to "all workers", including certain individuals not directly employed by an organisation.

As outlined in Envoy Global's June briefing, the Border Security, Asylum and Immigration Act 2025 is expected to commence on 1 October, 2026. It will change existing RTW practices and require businesses to review arrangements with non-employees, labour suppliers and agencies. The Act also expands potential liability where the immediate employer cannot be identified in certain labour supply arrangements. Civil penalties may reach £60,000 for each individual found to be working illegally in the most serious or repeat-breach cases.

Businesses should therefore prepare now for the possible extension of RTW requirements by reviewing their workforce arrangements, policies, contracts and compliance processes.

1. Know Your Workforce And Your Role

Traditional employers remain those engaging someone under a contract of employment. However, the new guidance may also create liability for businesses engaging individuals under worker contracts, subcontractors and online matching services that connect clients with individual service providers.

Businesses should map employees, self-employed individuals, directly engaged non-employees, agency workers and other external labour pools. For each group, identify whether a full RTW check is required, whether wider contractual or supplier controls are needed, or whether the group falls outside scope. This mapping will support contract updates and future compliance responses.

2. Review Policies

RTW policies should cover directly engaged non-employees, including individuals working regularly with the business or requiring consistent on-site presence. They should provide evidence of their right to work before starting.

Policies should define worker categories; set RTW obligations during procurement and supplier onboarding; require supplier assurances and appropriate contractual terms; and establish audit requirements, compliance expectations and consequences for breaches. A clear, consistent policy demonstrates intent and encourages compliance, although it may not remove all risk. Policies must avoid direct and indirect discrimination.

3. Understand Exposure By Worker Category

See table below.

4. Create Clear Ownership And Multiple Gateways

RTW accountability is often fragmented across HR, line management, legal and shared services. Businesses should consider appointing one accountable owner or team, supported by a consistent policy and unified audit framework. Operational managers and procurement should identify worker status and apply controls; HR compliance and legal should oversee policy adherence; and internal or external audit should test effectiveness and alignment with current rules.

5. Embed RTW Controls In Procurement Contracts

Contracts involving workers should include mandatory RTW compliance, evidence-retention duties, audit rights, indemnities, termination rights for breaches, controls for substitutions, appropriate controls for suppliers' employees and flow-down obligations for subcontractors.

Contracts should require approval before subcontractors are appointed. Organisations should limit unnecessary labour-supply-chain complexity and maintain visibility over all parties. Enhanced due diligence and assurance should be considered where external labour is used, particularly in higher-risk sectors such as cleaning, security and logistics.

6. Create An Extended Compliance Process

Holding RTW data for every non-employee may not be practical or legally appropriate, particularly for non-typical arrangements. Organisations should instead consider an assurance framework. Obtain regular supplier assurances confirming completion of relevant checks, retention of records, any compliance breaches and remedial action.

Workers should not receive building access, ID badges or system access unless they are linked to an approved supplier or engagement process and all required compliance checks are complete.

Category	Risk	Action
Direct employees	Known	Conduct RTW checks and retain evidence.
Directly engaged contractors, self-employed individuals and contingent labour	Defined under the draft guidance	Conduct RTW checks and retain evidence.
Agency or subcontracted labour	High /very high	Final obligations will depend on the legislation and guidance. Include clauses requiring RTW checks, auditable records and Home Office cooperation, with requirements applying throughout multi-layered supply chains.
Managed service or service contracts	Medium	There is no direct duty, but consider clauses requiring the provider to conduct appropriate RTW checks.

7. Treat Immigration Compliance As A Distinct Discipline

Immigration compliance is increasingly treated as distinct from, but connected to, employment law. Recent guidance indicates that sponsor licence holders may be expected to take wider responsibility for RTW compliance across workers and non-employees. Although the proposed extension to non-sponsored individuals was rolled back, it may return when the new legislation is implemented.

8. Use Technology Where Appropriate

Right to Work Digital Verification Service Providers (DVSPs) and online checks can help manage check volumes. DVSPs can support checks on British and Irish citizens and individuals who otherwise satisfy List A or List B requirements.

For individuals who are not British or Irish citizens, or who qualify for alternative List A or List B checks, the employer must conduct the online RTW check. These checks should form part of a standard workflow aligned with the organisation's RTW practices. At present, they cannot be outsourced or completed by a third party on the employer's behalf.

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